

Bureau of East Asian and Pacific Affairs
Statement of Assistant Secretary Christopher R. Hill
"Burma: Update and Next Steps"
February 7, 2006

Chairman Smith, Chairman Leach, members of the subcommittees,

Thank you for the invitation to testify on Burma today. It is a country on which we have focused intense diplomatic efforts, including by the President and Secretary Rice, and where other governments, including Asian ones, have shown increased willingness to join us in pressing for democratic change.

Burma is high on our freedom agenda for two reasons: First, because there are few places in the world where democracy has been suppressed – and human rights violated – as brutally and systematically as in Burma; second, because the current regime's xenophobic, ever more irrational policies are driving the country relentlessly downhill in a manner that increasingly harms – and threatens – Burma's neighbors and the broader region.

My colleague, Assistant Secretary Barry Lowenkron, will speak in detail about human rights and democracy issues in Burma. I don't want to duplicate his comments, but would like to say a brief word about Burmese pro-democracy leader and Nobel Laureate Aung San Suu Kyi, who in many ways symbolizes both the plight and the hope of the Burmese people. Aung San Suu Kyi has been detained since the May 2003 attack on her and her convoy by forces affiliated with the regime. Since December 2004, she has been held virtually incommunicado. Her term of detention was inexplicably extended by 6 more months last November. Despite our repeated requests to see her, most recently this past week, the regime has not allowed us or others to see her for two years. And this, despite the fact that the regime has never charged her with a crime.

Why the government fears this 60-year-old woman and has put her under lock and key, denying her virtually all outside contact, is not clear. But it is indicative of a paranoia and isolationism that we increasingly see in the regime's leadership and decisions.

The situation in Burma is a tragedy, and a very human one. We have great respect for and strong historical bonds with the people of Burma. During

World War II, Burmese soldiers fought alongside American troops, and rescued downed American pilots. Following the war and independence, Burma appeared poised to play a significant, positive role in the region and the world. The country was for some time the world's leading rice exporter. It enjoyed high rates of enrollment in primary and secondary schools, and boasted a well-educated, highly-regarded civil service. A former Burmese official, U Thant, served for a decade as Secretary General of the United Nations.

Unfortunately, Burma's military leaders have, during over forty years of rule, chosen to take the country down a different path, one that has brought suffering and pain to millions of ordinary Burmese people. While the rest of Southeast Asia has, in recent years, experienced strong economic growth, increased freedom and democracy, and a greater role in a wide range of global issues, Burma's generals have moved the country in the opposite direction. As President Bush said in Kyoto last November, "The result is that a country [Burma] rich in human talent and natural resources is a place where millions struggle simply to stay alive."

The regime has put Burma on a downward course that is increasingly worrying not only to its people, but to the world. Burma's neighbors have particular reason to be concerned because many of the country's growing problems will not stay within its borders.

The junta's corruption and bad economic policies have severely hurt the economy. Although reliable economic statistics are not available, most experts believe Burma's economy remained stagnant in 2005, while inflation may have risen as much as 50 percent. Arbitrary restrictions on businesses have reduced investment, and the regime has failed to restore confidence in the country's private banks, which are still suffering the effects of a 2003 collapse. Officers from our embassy in Rangoon, who travel widely in the country, confirm widespread reports that the middle class is dipping into its limited reserves to survive, and that life for ordinary Burmese is becoming increasingly difficult.

Social conditions have declined in tandem with the economy, in part due to the regime's failure to devote resources to health and education. The junta's most recent published budget indicates it spends \$1.10 per citizen on education and a mere 40¢ on healthcare, compared to \$400 per soldier. Rates of malnutrition and infant mortality are rising; according to the UN,

one-third of Burmese children are malnourished, and 50 percent drop out of school within five years. This in a country that was at one time the envy of Asia for its educational standards.

According to the Global Fund to Fight AIDS, Tuberculosis and Malaria, two percent of pregnant women are HIV positive. The Fund also notes that 97,000 cases of TB are reported each year, along with 600,000 cases of malaria. Given its proximity to Thailand and Vietnam, poor health system, rice paddy agriculture and its lack of transparency, Burma is also a likely candidate for unreported cases of Avian Influenza in both poultry and humans, which could have public health implications not only for Burma and its people, but for the entire global community.

The country's continuing socioeconomic decline, and growing role as an exporter of problems to the region, only add to the urgency of the situation. It is our strong view that continuation of the political status quo, in addition to being unacceptable on political and democracy grounds, will ensure that Burma continues its worrying decline, becoming a bigger drag on and threat to the entire region.

In his briefing before the UN Security Council on December 16, UN Under Secretary General for Political Affairs Ibrahim Gambari characterized the situation as a humanitarian emergency – one which could create numerous problems not just for the Burmese people, but for the region and the international community. Similarly, UN Secretary General Kofi Annan characterized Burma as a threat to human security. How did the ruling generals respond to this litany of humanitarian problems? By placing significant restrictions on UN agencies and NGOs, in some cases suspending their operations or forcing them to terminate their programs altogether. Just last year, the Global Fund terminated three grant agreements with the United Nations Development Program totaling up to \$98.4 million to combat the three diseases in Burma, citing the lack of access to project sites and restrictions on its procurement of medical supplies. The World Food Program separately confronted the regime directly regarding a 10 percent duty being levied on all purchases it made inside the country.

The flow of narcotics out of Burma is almost as worrisome as the flow of diseases. Burma remains the world's second largest producer of opium, and production of amphetamine-type stimulants is on the rise. Ninety percent of heroin in Southeast Asia comes from Burma. Drugs produced there are

trafficked to China, India, Thailand and other neighboring countries, and despite some efforts by the regime and the continued drop in opium production, narcotics traffickers still operate with impunity.

People also continue to flow across the border, seeking refuge from human rights abuses, ethnic conflict, and the other problems I have cited. There are 140,000 Burmese refugees living in 10 camps along the Burma-Thai border. An additional 1-2 million Burmese migrants reside in Thailand outside the refugee camps, and Malaysia, India and Bangladesh host an estimated 85,000 Burmese refugees among them. If Rangoon's economy continues to stagnate, if the spread of infectious diseases remains unchecked, and if the generals continue to brutalize its people and ignore the country's smoldering ethnic insurgencies, the flow of Burmese crossing into neighboring countries is likely to increase. Inside Burma, up to half a million people are internally displaced.

The international community has reached out many times in many ways to help Burma address its myriad problems. The United Nations has adopted 28 resolutions calling for the regime to engage the opposition in real dialogue and for the release of political prisoners, the Secretary General designated a Special Envoy, ASEAN has offered help, but the regime has rejected all of these efforts, preferring instead to isolate itself from the international community and its own people.

This isolation took a bizarre twist last November when the regime, without notice, decided to move the seat of government and ordered civil servants to relocate to a heretofore undeveloped town in the hinterland some 200 miles away from Rangoon. Of course, governments have the right to move their capitals, but the way in which the regime made the move is both worrisome and telling. It did not notify the Burmese people, let alone foreign governments or embassies, and it forced civil servants to leave their families behind indefinitely to make the move. When the civil servants arrived, they found unfinished buildings lacking basics like windows and running water. Many fell ill with malaria. Visiting the new capital city of Pyinmana, we were told, was not possible. A few of our embassy officials who were traveling in the region tried to stop by Pyinmana, but were turned away by security forces.

For years, we have called on the regime in Burma to reach out to the opposition and begin a true political process that leads to national

reconciliation and democracy. That is not asking too much. After all, there were genuine legislative elections in 1990 – which we still consider valid – in which the opposition won 82 percent of the seats.

Our long-term goal is the emergence of a unified, democratic and independent nation; one in which the government respects the human rights of its citizens and promotes policies that contribute to the well-being of the Burmese people and regional peace and prosperity. As initial steps, we are calling on the Burmese authorities to release Aung San Suu Kyi, U Tin Oo, Hkun Htun Oo and the over 1,100 other political prisoners, and begin a credible, inclusive political process that empowers the people of Burma to determine their future. The National League for Democracy's proposal for the establishment of a tripartite transitional body composed of the military, political parties, and ethnic nationalities demonstrates its flexibility and willingness to negotiate, ingredients that have been sorely lacking in the regime's approach. The regime should engage the democratic opposition and ethnic minority political groups in a genuine dialogue that allows the Burmese people to determine their own future.

Our view is that strong, consistent international pressure on the regime to implement change is essential to achieving our objectives, so we have focused our efforts on creating that pressure. We are working at the UN and with other countries in the region and around the globe toward that end. We have shifted the focus away from the unproductive debate over sanctions versus engagement, which had largely paralyzed previous discussions on Burma, toward realization that all of us have an interest in reversing Burma's downward spiral.

We have engaged in an intensive diplomatic campaign to encourage governments in the region with influence in Burma such as India, China, Japan and ASEAN members, to agree on certain steps the regime needs to take to address the international community's concerns, noting that further deterioration in the situation is not in their interest. These steps include: releasing Aung San Suu Kyi and all political prisoners; initiating a credible, inclusive political process; granting access for UN representatives; and lifting restrictions on UN agencies and NGOs providing humanitarian assistance. We are urging governments to embrace as many of these points as possible, and to express their concerns to the regime both publicly and in private.

Let me stress that President Bush and Secretary Rice are leading this effort and have been actively engaged. The President raised Burma during his Asia trip last November, strongly urging countries in the region to press the Burmese regime to initiate change. Prior to that trip, the President took the time to meet with a Burmese refugee, activist Charm Tong, who related her own personal stories of suffering at the hands of this brutal regime. Secretary Rice also has been extremely active, both in her public comments and in private meetings, as have other senior officials such as Under Secretaries Nick Burns and Paula Dobriansky.

I am pleased to report that we are making progress – notable progress. Increasingly, other governments, along with parliamentarians and the media, understand that the situation in Burma must change, and they are starting to speak out. For example, ASEAN specifically called in its December statement for the release of political prisoners and expedited democratization. The statement also conveyed ASEAN's decision to send Malaysian Foreign Minister Syed Hamid to Burma as an ASEAN envoy. I saw Foreign Minister Hamid during my recent visit to Kuala Lumpur, and he made clear that he believes Burma needs to change. We are confident that he and Indonesian President Yudhoyono will deliver strong messages reaffirming ASEAN's position when they visit Rangoon. Senior officials from Japan, Korea, India, and Australia have also called on the regime to move forward, as have several European officials. Chinese officials, while yet to speak out publicly about the situation in Burma, have privately noted their concerns, and we are engaged in an active dialogue with them.

Multilaterally, we have succeeded in focusing the international spotlight on Burma through the first ever UN Security Council discussion on the country. On December 16, Under Secretary General for Political Affairs Ibrahim Gambari briefed the Council on deteriorating conditions in Burma, highlighting the gravity of the situation there. Secretary General Annan participated in the briefing and, in his comments to the press afterwards said that the Security Council could “use its contacts with countries with influence to bring pressure to bear and encourage the government to accelerate the national political process, and ensure that it is inclusive and all political parties and personalities are able to participate freely and willingly, including Aung San Suu Kyi.” We believe the situation warrants continued UN Security Council attention and discussion, and we are considering next steps in that body.

Another multilateral initiative we lobbied hard in support of was the EU's UN General Assembly resolution on human rights in Burma. Last December, the General Assembly adopted the resolution by consensus after defeating by a wide margin a motion tabled by Burma in the UN's Third Committee that would have scuttled the resolution altogether. As adopted, the resolution calls for the release of political prisoners and a credible and inclusive political process.

In the weeks and months ahead, we will continue our intensive diplomatic efforts in New York, Tokyo, Seoul, Beijing, the ASEAN countries, and elsewhere. We intend to build on the recently-created momentum behind an international campaign to press the junta to open itself to change.

Chairman Smith, Chairman Leach, we are grateful for Congress' strong support on this important issue. We continue to use funds appropriated by Congress to support democratic ideals through programs that promote democratic values, human rights, the rule of law, and good governance. We also have an active public diplomacy program through our American Center in Rangoon, which we hope to expand, that enables us to reach wide audiences inside Burma. In addition, Embassy Rangoon is developing a small grants program to work with organizations inside Burma that will support grassroots efforts to address issues of shared concern. On the humanitarian front, we have supported efforts to combat HIV/AIDS and fund assistance to refugees, migrants and IDPs.

An essential component of our strategy is sanctions. Some in the international community have argued that, because the Burmese regime has not yet changed its approach, our sanctions policy has failed and should be dropped. I strongly disagree. Our sanctions have played – and continue to play – a critically important role. They set an international standard by which all other governments' policies are judged; they serve as a constant reminder to the regime – and everyone else concerned with Burma – that its behavior is unacceptable, and that regime leaders will remain international pariahs as long as they continue this behavior; they serve as important moral support for the democratic opposition, the vast majority of whom support our sanctions policy; and they ensure that American companies will not help fund the luxurious lifestyles of the generals, who rule the fourth most corrupt country according to Transparency International's latest survey on this topic.

Because of the important role that sanctions play, the State Department strongly supports renewal of the import ban in the Burmese Freedom and Democracy Act, which is due to lapse this summer. Failure to maintain current sanctions – at a time when the regime’s behavior is going from bad to worse, and when the international community is beginning to rally behind the call for change – would send the wrong message at the wrong time. Moreover, lifting sanctions now would deal a strong blow to the opposition, and be celebrated by the generals. We must keep in mind that it is the regime's misguided policies that have caused the suffering of the Burmese people, not international sanctions.

Chairman Smith, Chairman Leach, bringing about the kind of positive change we all seek in Burma is a long-term endeavor. We have a strategy to get there, and it is paying off: The Administration is engaged at the highest levels; key countries in the region have begun to speak out about the need for reform; and international pressure on the regime to change its misguided, irrational policies is mounting. The road ahead is not short, but by continuing our intense efforts, we can effectively promote freedom for Burma's long-suffering population. As President Bush said, the Burmese people “want their liberty – and one day, they will have it.”

